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DIRECTOR OF CENTRAL INTELLIGENCE

Technology Transfer Intelligence Committee
(TTIC)

Subcommittee on Export Control
(EXCON)

Subcommittee on Exchanges
(COMEX)

TTIC-C-352-87
6 August 1987

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM: Chairman

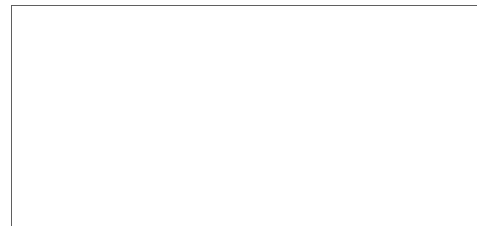
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SUBJECT: TTIC Monthly Report

Attached for your information is a report on the status of TTIC actions
for July 1987.

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Attachment



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STATUS OF TTIC ACTIONS: JULY 1987I. Executive Summary

- o Chairman, TTIC and the DCI attended a meeting of the Cabinet level Export Administration Review Board (EARB) on 1 July. The EARB approved the export of advanced microelectronics production equipment to China and part of a proposal to sell civilian aircraft to Hungary. [REDACTED]

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- o TTIC has been tasked by the National Foreign Intelligence Board to review NIE 11/12 from the technology transfer viewpoint. The TTIC Executive Planning Group will discuss this issue during its August meeting. [REDACTED]

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- o TTIC participated in the July Special Meeting of COCOM [REDACTED] meeting achieved some progress in advancing US positions with regard to harmonization among the allies of export controls, streamlining of the COCOM control list, enforcement measures, and third country cooperation. [REDACTED]

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- o COMEX continues to participate in planning for exploratory discussions with the Soviets on an agreement for cooperation in the basic sciences. The Soviets are expected to respond in September to the earlier US presentation, which included an offer to meet in Moscow at Soviet convenience. The Soviets also reportedly plan to reply in September to US suggestions for cooperation in transportation. [REDACTED]

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- o Based on an appeal and additional information from the National Academy of Sciences, COMEX reconsidered its recommendation for denial of a visit by ionospheric specialists from a Siberian institute, and recommended instead a tightly circumscribed program for the Soviets. [REDACTED]

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II. Work in Progress

[REDACTED]

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Studies

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continue on the export control laws of eight countries (Switzerland, Sweden, Austria, Finland, Singapore, South Korea, Ireland, and Brazil). The draft study on the potential use of sealed trucks to illegally transfer technology from Western to Eastern Europe is undergoing final review.

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- o Trade Violations. The TVWG met to assess intelligence reporting concerning trade violations. While no new draft demarches were submitted to State, a number of ongoing cases were acted upon including sales by M. Setek, Tokyo Boeki, Ulvac, Semcotec, and RSL. A report concerning the role of diplomatic demarches in the prevention of technology transfer and the part played by the TVWG in generating these demarches was finalized and sent to selected addressees within the export control community.
- o Commerce Support. End-user information on 188 export license applications for proscribed country destinations was forwarded to Commerce. Derogatory information (evidence of military-related activities) was furnished on 14 of these end-users (five Soviet, three East European, and six Chinese). TTIC recommended two cases to China be denied because of the commodities' (spectrum analyzers) usefulness in intelligence applications. TTIC also initiated a coordinated Intelligence Community review of export license applications for two cases involving communications monitoring equipment to Free World destinations.
- o Support to COCOM. End-user information was furnished to the State-chaired EDAC WG III for 116 COCOM cases, three of which were objected to because of the military related activities of the named end-users.
- o S&T Exchange Visitors. COMEX produced final recommendations on three new Soviet cases and six East Europeans last month, with five Soviets and five East Europeans currently under review.
- o Earth Sciences Cooperation. COMEX is reviewing a package of Soviet proposals for joint projects in the earth sciences. The US Geological Survey received the proposals from their Soviet counterparts during consultations in the Soviet Far East late last June. The COMEX assessment should be ready by September, when

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exploratory talks on overall cooperation in the basic sciences may begin. [REDACTED]

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- o Undergraduate Exchanges. A new program of undergraduate exchanges under Institute of International Education auspices has generated two cases for review out of 12 proposed visits; COMEX is working directly with the host university and with USIA to ensure that technology transfer concerns are appropriately addressed. [REDACTED]
- o Project CASTAR. The final CASTAR report describing Soviet needs for Western digital switching and fiber optics technologies for upgrading their ABM system has been distributed to the CASTAR Steering Committee. The contract for development of the CASTAR methodology is now in administrative processing; the start date is 15 September. The TTIC draft report describing the results of the initial CASTAR studies has been sent to the CASTAR Steering Committee members for review and comments. [REDACTED]

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